year 1991-92, the industry employs 48.20 lakh persons & majority of them belong to rural areas.

(e) The Government have not acceded to the request of the Council for restoration of the provision of 100% exemption on export income under Section 80HHC of the Income Tax Act.

Decline in FDI Approval and its Inflow

5213. SHRI SURESH PACHOURI: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that there has been a sharp decline in Foreign Direct Investment (FDI) approval since 1997 onwards;

(b) if so, the reasons therefor;

(c) whether it is also a fact that the actual inflow of FDI against the approval has also been much less;

(d) if so, the reasons therefor; and

(e) how Government plan to remove the gap between FDI approvals and actual inflow?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN): (a) to (e) The year-wise approval of FDI and inflows from January, 1991 to December, 1999 is given below:

Year	Amount of FDI approved	Inflow of FDI amount	
January-December	Rs. in crore	Rs. in crore	Realisation rate-FDI approved inflows (in terms of Rupees)
1991	534	351	65.73
1992	3888	675	17.36
1993	8859	1787	20.17
1994	14187	3289	23.18
1995	32072	6820	21.26
1996	36147	10389	28.74
1997	54891	16425	29.92
1998	30814	13340	43.29
1999	28367	16868	59.46

There are many factors responsible for increase or decrease in FDI. Decrease can be due to global recession, recent South East Asian economic crisis and global market conditions. The time lag in inflows against mega projects is

usually longer because of several factors that are external to the basic FDI regime such as acquisition of land, obtaining various statutory clearances, tying up funding arrangements etc. Investment is also dependent on the commercial judgement of investors.

With a view to facilitating FDI inflows, Government have permitted FDI/ NRI/OCB investment upto 100% in all items/activities under automatic route except a small negative list. Further, prior approval of REI for FDI proposals under automatic/FIPB route has been dispensed and the Indian companies have been given general permission to receive inward remittance of foreign exchange, subject to the condition that they file the required documents with RBI within 30 days of issue of the shares.

Foreign Equity Permission for Indian Companies

5214. SHRI BRAHMAKUMAR BHATT: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the coastal trade vis-a-vis foreign direct investment of Indian companies have been reviewed;

(b) if so, the foreign equity upto which Indian companies are permitted; and

(c) the details of observations made by the Ministries of Industry and Shipping?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN): (a) to (c) As per extant policy, trading is allowed with FDI upto 51% under the automatic route provided it is primarily related to export activities and the undertaking is an export house/ trading house / super trading house/star trading house. Foreign Direct Investment upto 100% is permitted under the Foreign Investment Promotion Board (FIPB) route in respect of limited trading activities.

Under the current policy FDI, upto 100% can also be allowed in Indian shipping companies.

Decline in Growth Rate of Capital Goods

5215. SHRI BRAHMAKUMAR BHATT: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the growth rate of capital goods, consumer durables, automobiles and cement industry is steadily decreasing;